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Mr. B. B. B.

The **THIRTEENTH ANNUAL REPORT**


TO THE *Shareholders*

**BIG
NAMA CREEK
MINES LIMITED**



**FOR THE YEAR
ENDED DECEMBER 31**

1966



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**AUTHORIZED
CAPITALIZATION**

\$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 each.

DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc. - - - Toronto 18, Ontario.
PHILIP E. BOYLEN - - - Willowdale, Ontario.
GORDON L. MOORE - - - Islington, Ontario.
DAVID W. GORDON, F.C.I.S. - - - Toronto, Ontario.
CHARLES B. BRANNIGAN - - - Toronto 16, Ontario.

OFFICERS

M. J. BOYLEN, D.C.L., D.Sc. - - - - - *President*
DAVID W. GORDON, F.C.I.S. - - - - - *Vice President*
GORDON L. MOORE - - - - - *Secretary Treasurer*
CHARLES B. BRANNIGAN - - - - - *Assistant Treasurer*

HEAD OFFICE

908-330 Bay Street - - - - - Toronto, Ontario.

**TRANSFER AGENT
AND REGISTRAR**

GUARANTY TRUST COMPANY OF CANADA
366 Bay Street, Toronto, Ontario.

AUDITORS

SNYDER, CRAIG & CO.
Chartered Accountants
330 Bay Street, Toronto, Ontario.

Directors' Report

To the Shareholders:

The Thirteenth Annual Report of the Company, including a copy of its financial statements for the year ended December 31st, 1966, and the Report of the Auditors, is presented for your consideration.

Your Company, during the past year, did not carry out exploration work in the field; activity was restricted to exploration and development work by Willroy Mines Limited, which Company holds the Manitouwadge property of Big Nama Creek Mines Limited under a twenty year Lease, renewable for two terms of ten years each, and by your Company at the York Harbour Mine and the contiguous Broom's Bottom Mineral Concession Area.

MANITOUWADGE, ONTARIO, PROPERTY:

Willroy Mines Limited on June 3rd, 1966, informed the Company that it was its intention to continue in its Lease with a view to eventually mining the ore body at your Company's Manitouwadge property. Feasibility studies are continuing as to the most economical manner in which to mine the ore, and where it might be milled. The results of such studies have not as yet come to hand.

The long drift from the main shaft on the Willroy Mines Limited property to the southeast corner of the property of Big Nama has been completed. An access road from the property of Willroy to the proposed plant site of Big Nama was commenced, and is slated for completion some time in 1967. The hydro power line to provide electric power for the operation has also been started.

YORK HARBOUR MINE, NEWFOUNDLAND:

The York Harbour property of your Company comprises an area of one square mile held under a Fee Simple Mining Grant and a contiguous Mineral Concession Area of 3.5 square miles. The Concession Area is held under a Concession agreement made between the Government of Newfoundland and the Company. Provided the Company fulfills its obligations as set forth in the agreement over a period of five years from April 1st, 1966, the Company may select from the reserved area an area, or areas, not exceeding one square mile in the aggregate and the Government of Newfoundland shall issue to the Company a development license under the Crown Lands (Mines and Quarries) Act, 1961, or at any time during the subsistence of such development license, the Company may apply for a mining lease covering all or any part of the area covered by the development license.

Work on the 7,000 foot long adit on the 150 foot level at the York Harbour mine was continued during 1966, and the face stands approximately 2,500 feet from the portal. Progress during the year fell far short of scheduled advance for several reasons, mainly ground conditions and a shortage of skilled drift miners.

A fire broke out in the Mine Dry on September 5th, 1966, which destroyed the building and the power generating sets; this halted further progress in the adit because a replacement unit was not immediately available. The local 50-cycle hydro power could not be used on the Company's 60-cycle equipment, so it was decided to close the operation for the winter months.

Diamond drilling operations commenced in September and were concluded in December, 1966. A series of holes were drilled at 400 foot intervals along the adit to test and locate the favourable andesite-basalt contact which roughly parallels the drive. None of such holes cut ore grade material.

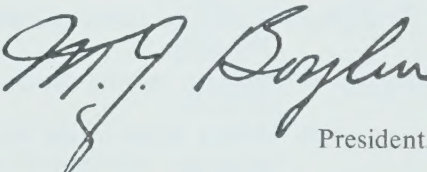
Capital expenditures during the past year amounted to some \$75,000. and included mine ventilation, loading and haulage equipment as well as a Payloader and three mobile trailers to provide camp accommodation. Buildings destroyed by fire have been reconstructed and damaged equipment is being repaired. It is planned to re-open the property in 1967.

The mineral Concession area which surrounds the Fee Simple Mining Grant area was partially tested by geochemical soil sampling in the Fall of 1966. A series of significant copper and zinc soil anomalies were located from such sampling which appeared to be related to the ore bearing structures in the York Harbour Mine. The Company plans to test such areas by surface diamond drilling in the summer of 1967.

LITHIUM PROPERTY — BEARDMORE, ONTARIO:

The Beardmore property held by the Company consisting of thirty-six mining Leases, comprising an area of 813.19 acres, situated in the Beardmore area of the Province of Ontario, is continued in good standing. A considerable amount of exploration and development work was completed on this property by your Company during prior years made up of surface diamond drilling, and shaft sinking to a depth of 503 feet, with stations cut at the 150, 300 and 450 foot horizons. The surface diamond drilling outlined 4,292,332 tons of ore grading 1.06 % Li_2O to a depth of 1,000 feet. No additional exploration or development work was carried out on this property during the past year.

On behalf of the Board of Directors,


President.

Toronto, Ontario
June 5th, 1967.

BIG NAMA CREE

(Incorporated under the laws of the Province of Ontario)

Balance Sheet — 1966

(With comparative figures for 1965)

ASSETS

	1966 \$	1965 \$
CURRENT:		
Cash.....	199	20,828
Accounts receivable.....	9,712	1,127
Prepaid expenses.....	2,631	2,294
	<u>12,542</u>	<u>24,249</u>
INVESTMENTS:		
Shares of other mining companies having a quoted market value, at cost (Quoted market value \$62,240; 1965 — \$99,157.....)	78,719	75,719
Shares of other mining companies, at cost.....	9,150	9,150
	<u>87,869</u>	<u>84,869</u>
FIXED:		
In the Province of Ontario, District of Thunder Bay, Port Arthur Mining Division:		
13 Patented mining claims in the Manitouwadge Lake Area, at cost (Note 1).....	63,736	63,736
36 Mining leases in the Beardmore Area, at cost.....	408,696	408,696
Buildings, equipment and supplies at estimated salvage value (1965 at cost).....	25,000	316,792
In the Province of Newfoundland:		
1 Fee simple mining grant at York Harbour, District of Humber, at cost (Note 2).....	281,872	281,872
Buildings at cost.....	18,798	2,021
Equipment, at cost.....	137,949	95,380
	<u>936,051</u>	<u>1,168,497</u>
MISCELLANEOUS AND DEFERRED:		
5% Notes receivable from Beauce Placer Mining Co. Ltd. due December 17th, 1966 and accrued interest.....	75,714	72,264
Materials and supplies, at cost.....	25,909	20,417
Mine development and administrative expenses.....	1,252,775	1,008,393
	<u>1,354,398</u>	<u>1,101,074</u>
	<u><u>2,390,860</u></u>	<u><u>2,378,689</u></u>

Submitted with our Report to the Shareholders

MINES LIMITED

(Laws of Ontario)

December 31st, 1966

(Figures for 1965)

LIABILITIES

	1966	1965
	\$	\$
CURRENT:		
Bank overdraft.....	399	—
Accounts payable and accrued liabilities.....	47,272	38,708
	<u>47,671</u>	<u>38,708</u>
LONG-TERM:		
6½% Convertible debentures due July 15th, 1971 (Note 3).....	<u>250,000</u>	<u>—</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK:		
Authorized:		
5,000,000 Shares of \$1 par value.....	<u>\$5,000,000</u>	
Issued:		
1,889,252 Shares (Note 4).....	1,889,252	1,789,252
Less: Discount thereon.....	<u>997,972</u>	<u>942,972</u>
	<u>891,280</u>	<u>846,280</u>
CONTRIBUTED SURPLUS:		
Balance unchanged from previous year.....	<u>1,822,904</u>	<u>1,822,904</u>
DEFICIT:		
Balance, beginning of year.....	329,203	261,989
Add: Loss on sale of equipment.....	—	67,214
Buildings, equipment and supplies written down to estimated salvage value.....	<u>291,792</u>	<u>—</u>
Balance, end of year.....	<u>620,995</u>	<u>329,203</u>
	<u>2,093,189</u>	<u>2,339,981</u>

THE NOTES ATTACHED FORM AN INTEGRAL PART OF THESE
FINANCIAL STATEMENTS

Approved on behalf of the Board:

M. J. BOYLEN, Director.

G. L. MOORE, Director.

2,390,860 2,378,689

holders dated May 31st, 1967.

SNYDER, CRAIG & CO.,

Chartered Accountants.

CHARTERED ACCOUNTANTS

330 BAY STREET

TORONTO
CANADA

To the Shareholders of

BIG NAMA CREEK MINES LIMITED,

Toronto, Ontario.

We have examined the Balance Sheet of Big Nama Creek Mines Limited as at December 31st, 1966 and the Statements of Mine Development Expenses and Source and Application of Funds for the year ended on that date, and the Notes to the Financial Statements. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

No provision has been made for the excess of cost over the market value of the Company's investments in shares of other mining companies.

We are unable to determine when the notes receivable and accrued interest overdue from Beauce Placer Mining Co. Ltd. will be paid and consequently are unable to express an opinion on the value of this asset.

Subject to the above limitations, in our opinion the attached Balance Sheet and Statements of Mine Development and Source and Application of Funds and the Notes to the Financial Statements present fairly the financial position of the Company as at December 31st, 1966 and the results of its operations and the source and application of its funds for the year ended on that date. The Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change, which we approve, whereby buildings, equipment and supplies at the Company's mining property near Beardmore, Ontario have been valued at estimated salvage value as at December 31st, 1966 rather than cost.

SNYDER, CRAIG & CO.

Chartered Accountants.

May 31st, 1967.

BIG NAMA CREEK MINES LIMITED

Statement of Mine Development Expenses

For the year ended December 31st, 1966

(With comparative figures for 1965)

	1966 \$	1965 \$
Balance, beginning of year.....	1,008,393	896,607
Administration.....	24,404	11,418
Adit driving.....	140,223	52,620
Clearing land.....	1,761	—
Diamond drilling.....	20,019	—
Mine overhead.....	56,749	28,188
Roads.....	729	17,926
Surveys.....	497	1,634
	<u>244,382</u>	<u>111,786</u>
Balance, end of year.....	<u>1,252,775</u>	<u>1,008,393</u>

Statement of Source and Application of Funds

For the year ended December 31st, 1966

(With comparative figures for 1965)

	1966 \$	1965 \$
SOURCE OF FUNDS:		
Issue of capital stock.....	45,000	205,000
Issue of 6½% convertible debentures	250,000	—
Sale of fixed assets.....	—	21,170
	<u>295,000</u>	<u>226,170</u>
APPLICATION OF FUNDS:		
Advances to Beauce Placer Mining Co. Ltd.....	—	27,000
Increase in materials and supplies.....	5,492	20,417
Mine development expenses.....	247,832	114,735
Purchase of fixed assets.....	59,346	97,401
Purchase of investments.....	3,000	—
	<u>315,670</u>	<u>259,553</u>
Resulting in a decrease in working capital.....	(20,670)	(33,383)
Working capital, beginning of year.....	(14,459)	18,924
Working capital, end of year.....	<u>(35,129)</u>	<u>(14,459)</u>

Notes to Financial Statements

December 31st, 1966

WILLROY AGREEMENT:

1. Under an agreement dated July 2nd, 1963, Big Nama Creek Mines Limited leased its 13 claims in the Manitouwadge Lake Area to Willroy Mines Limited for a term of 20 years and renewable for two additional terms of 10 years each. The agreement provides that Willroy will mine the ore on the property and that Big Nama Creek will receive 50% of the net profits after the recovery by Willroy of certain of its costs of exploration and development.

EXPLORATION AGREEMENT:

2. Under an agreement dated April 1st, 1966, the Government of Newfoundland granted Big Nama Creek Mines Limited the right to explore an area of approximately 3.5 square miles adjoining its fee simple mining grant at York Harbour, Newfoundland. The agreement is for a term of five years and sufficient work has been performed to date to keep the agreement in good standing for the full term. The Company may apply for and receive a development license or licenses on an area or areas not exceeding in the aggregate, one square mile within the exploration area.

6½% CONVERTIBLE DEBENTURES

3. The debentures are convertible for shares of the Company on the basis of 2 shares for each \$1 principal amount of debenture and are secured by a floating charge on all the assets of the Company. The underwriting agreement provides that the balance of the debentures, \$150,000. shall be delivered and paid for not later than July 31st, 1967.

CAPITAL STOCK:

4. During the year 100,000 shares of the Company's capital stock were issued for a cash consideration of \$45,000.

